



CEO COACHING
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2019 CEO Coaching Summit Live: Sarah Dusek on Her Courageous Path to BIG

- Sheldon Harris: Well everybody, I'd like you to meet Sarah Dusek, Founder and CEO of Under Canvas. Sarah and I met in January of 2017, so just a little over two years ago, and what she has achieved in that short time with her husband Jake, is nothing short of remarkable. I'm really eager for you guys to hear some of her journey, because I think it's a journey we all share and we can all learn from.
- Sheldon Harris: Did you ever think we'd be sitting here on stage at the CEO Summit when we started working together?
- Sarah Dusek: Oh my goodness, no.
- Sarah Dusek: I think two years ago I didn't have a company that had a C-Suite, I didn't have a CFO. Had a great cash producing business, doing amazing things, but we were really, really at the beginning of a journey of thinking about scaling our business and making big happen.
- Sheldon Harris: Well, I've been with you through thick and thin, and I know that every entrepreneur experiences those moments where they think there's no way they're going to end up sitting here where you're sitting, having had a hugely successful exit.
- Sheldon Harris: I'd love for you to share an experience that you had, where you had one of those moments, where you just thought there's no way. And also perhaps, what gave you the courage and determination to drive through that?

Sarah Dusek: Yeah, I mean, I could talk about disasters in our business for the rest of our time. I won't, but there's one that springs out that sort of happened in the very, very early days.

Sarah Dusek: As you can see from the photos, we have large scale safari camps outside of national parks in the US, and our rapidly growing our footprint across the country. We've got eight locations at the moment. Our first major location was Yellowstone. Yellowstone is a fairly brutal place, weather wise. It's 80 degrees in the day and 30 degrees at night. It's a tough place.

Sarah Dusek: But the first year we set up in business there, we were very small. We really didn't know what we were doing. We had no hospitality experience, and we were very, very understaffed. We bootstrapped our company from zero, and I launched this business literally with less than \$0 in my pocket, and with a lot of credit cards, which was fairly scary and fairly hair-raising.

Sarah Dusek: But I remember there was one evening in Yellowstone in our first season, and a humongous storm ripped through the camp. I sat in my car with my two children at that moment in time, who were then nine months old and three, and I looked out at this scene. Of course, this was in the days before we'd really figured anything out.

Sarah Dusek: Our tents, the storm just came through the camp and flattened it. And I was like, "Oh my God." I looked out and I thought, this is it, we're done. This is the end. This is over. Nobody's ever going to stay with us again. Nobody's going to take us seriously. What were we thinking? This is crazy. It's over. There is no more Under Canvas for us.

Sarah Dusek: But the most bizarre thing happened, and in that moment I'm thinking about, I'm going to have seriously angry guests on my hands. Where's the refund button? How do I start trying to find money for people? Something extraordinary happened, which just gave me the resilience to get back up. What I witnessed, honestly, it was a gift from God. Literally.

Sarah Dusek: We witnessed our guests starting to work with our staff to put the tents back together, to help them get dry bedding, clean pillows, just to start raising the thing back up from the ground. And by 11:00 that night, we had every single person back in their beds. Clean bedding, dry tent to sleep in, and tents re-put back together.

Sarah Dusek: Thankfully, we have now figured out how to make our tents pretty much hurricane proof, so this doesn't happen anymore. But in that moment it was devastating. We faced a choice. Do we call this quits and back off, and say, "Oh, this is never going to work," or do we figure it out?. Do we do what John did and figure out how to not put robes in the pockets? That's what we had to do. That moment gave us extraordinary courage to press through and find solutions to problems.

Sheldon Harris: I love it. Like we've all been hearing from the speakers that we've been sharing the last couple of days, it's not what happens to us, it's what do we do with it? I know all of you can relate to this notion of, what defines an entrepreneur is when you get knocked down, you just get back up again. I love that story, that's excellent.

Sarah Dusek: It was rough.

Sheldon Harris: Yeah, I can only imagine.

Sheldon Harris: The other thing that you've shared with me during our journey together that I thought was fascinating is, there were times in your journey where there was a head-to-head conflict between your core values and the apparent business opportunity in front of you. I've been super impressed the way you committed to your values, even in those moments.

Sheldon Harris: I'd love for you to share a little bit of that, because I think we all ... They say values are tested when values are needed. It's very easy to have values when they're not being tested, it's the moment of the test. Can you share some of that with us?

Sarah Dusek: Yeah. Values were really interesting for us, because we didn't, and I'm sure many of you in this room didn't also, but we didn't write our values down before we started our company. We started our company and figured out what our values were as we went along because we realized what was important to us.

Sarah Dusek: It really wasn't, as Sheldon said, until our values were really, really tested that it gave me a moment of clarity that helped me define them and write them down, so that the rest of my company could live with them and breathe with them as we were now breathing with them.

Sarah Dusek: But back in 2017, as I said, we had bootstrapped our business from 2009 to 2017, which was an extraordinarily difficult era of time. We realized if we were going to grow the business, if we were going to be in every national park in the country, and beyond, we would need some financial backing to help us grow faster.

Sarah Dusek: In 2017, we went out to raise money. What I discovered, as a female entrepreneur, was this became a very dark period in my life. I got used to hearing a lot of no's. I got used to hearing you're not a tech company, and I got used to effectively hearing people say, "You don't look like me." It was very difficult.

Sarah Dusek: I managed to get a term sheet after about a gazillion no's to the table, which felt like an extraordinary achievement in itself. But the partner of the VC firm that I was then dealing with was a bully. He kept throwing quips at me, all left, right and center, that basically said, "This is the way deals are done. This is the way

this is. If you don't like these terms, you can sling it. And if you don't take my terms, you're not getting any money from anybody."

Sarah Dusek: He basically said, "If you don't do this deal with us, I will blacklist you and I will make sure that nothing good ever happens to your company going forward." Which was like a moment of, whoa, this is a whole nother world out here, and not a world that I really like. But it made me think, gosh, if I wasn't sure before, I am totally sure now, I am totally not getting in bed with you.

Sarah Dusek: But it was rough, because we had a company that was ... we were on a knife edge. We were bootstrapped, cashflow positive, but resources were really short. We were always trying to do more than we had the capacity, financially, to do.

Sarah Dusek: We were constantly on the edge, and I faced ... This is, do a \$7 million deal, which at the time felt like a lot of money, or potentially go bust, run out of money, get so far in the red that you're not going to get out again. It really, really challenged our values and challenged what I believed in and what I was willing to do to grow our company.

Sarah Dusek: Thankfully, we chose to turn them down and decided there's got to be a better way to do this. Thankfully, found another great partner about six months later. But it was tough. It was really tough.

Sheldon Harris: I know in the manuscript of your book that you're writing, and you were kind enough to share it with me ahead of time, you made a statement, I'll probably slaughter the quote but I thought it was so poetic. You said, "We refuse to sacrifice our values on the altar of success."

Sarah Dusek: Yeah.

Sheldon Harris: I could tell that really resonated with your team members that I've spoken with, and that really galvanized the team about what's important.

Sarah Dusek: Yeah. It helped clarify what success looked like too, and helped us really define who are we, what do we care about, what's important to us? What is the ground we build our business upon, and what are we trying to build, and why?

Sheldon Harris: I know you came to the CEO Summit last year, and one of the things I think you're all experiencing is the power of this shared experience is exponential. There's one thing about the work we do in our regular work together, but there's something about coming together as a community, and it just takes it to a whole nother level.

Sheldon Harris: I think, you shared with me, there was one particular thing that galvanized with you at last year's CEO Summit that literally defined your year and defined your exit. Can you share that with us?

Sarah Dusek: Yeah. Those of you who were here last year, Mark gave us an amazing little glass, I don't know what you call it, a statue of some kind. On it said, "What do you want?" I looked at that thing for like the three days that we were here this time last year, and I actually started to really ask myself that question. We'd now been in business almost 10 years, and I started to think about, where are we going? What is our trajectory? Yes, I'm building this company to grow it, but what is it I really want? What does success look like for my company? What does it look like for me, personally?

Sarah Dusek: We decided, here's the number that I'm shooting for out there. I really galvanized it into a specific number, and then really realized what would it take to do that? How do I break that down? How do I turn that into real metrics that we can focus on and really deliver on? When we did that, I realized, gosh, maybe that might not be that hard, and maybe it might not be that far away.

Sheldon Harris: I remember in those calls when that clicked with you, that was exciting.

Sarah Dusek: It was extraordinary, because it suddenly made me think, I could do that. I could make that happen. Without thinking that it was five years away and we'd have a long, long slog. It just made me think, this number is success for me. This feels great. This feels like a huge achievement. I'm going to go out there and see if I can make that happen.

Sheldon Harris: What do I want?

Sarah Dusek: What do I want?

Sheldon Harris: Amazing power in that.

Sarah Dusek: Yeah, huge clarity just from one simple question.

Sheldon Harris: I love it.

Sheldon Harris: John DiJulius this morning was talking about the creativity crisis, and it made me think of something that you shared with me, Sarah. One time you said, you shared this premise, that the only thing artificial intelligence won't take away from us is our human creativity. You told me that even before we heard John, although now we'd say it for sure.

Sheldon Harris: Tell me a little bit about how you've kept that creativity alive in your firm, and then I'd love to hear about, the business model that you have, how you do that for others?

Sarah Dusek: Yeah. We realized pretty early on that we are in the experience business. Just as John talked this morning, my business is not a travel company or glamping company, the role of Under Canvas is to create extraordinary outdoor

experiences that create meaningful moments in time. That last poignant video was so powerful, wasn't it? In terms of connecting with other human beings.

Sarah Dusek: We have built our resorts very much with this idea in mind of, how do we enable people to connect? Disconnect from technology, connect with one another, but how also do we help people think? How do we enable people to have experiences that take them out of the everyday, the norm, and help people to think big, because they're out in nature and experiencing a whole different world?

Sarah Dusek: We've seen this happen so many times with our own people, of just having people be outside. We've seen it happen with our guests. The extraordinary power of being with the people that you love, maybe even being solitary, but having a bigger experience that removes you from your day-to-day world and puts you into a very beautiful, extraordinary one.

Sarah Dusek: We've seen the power of how this has been harnessed even with teams. Teams coming out to do corporate retreats, or small group experiences of bonding with each other, but having space in their lives to create and have big ideas.

Sarah Dusek: We are always asking, how do we keep our companies innovative? How do we think about keeping us from being disrupted? How do we do that? How do we engage creativity in our people? Because as we heard this morning, AI is going to replace a lot of our people. What will make our people valuable to us, is the inherent ability of creativity.

Sarah Dusek: So how do we stimulate that? How do we drive our people to become more creative, to be out of the box thinkers? In my opinion, we take them outside. We allow people to think big outside.

Sheldon Harris: I think there's a lot to that. Having grown up in Alaska, you're speaking my language. I love that, that's excellent.

Sheldon Harris: When you think about what Sarah has achieved, it's not a SAS business, obviously. For context, you all should understand a couple of the components of this transaction, because it was truly amazing. The value you created, through the value you're delivering through your business model, is what resulted in this. If I understand this right, the final outcome was 25X EBITDA? Is that right?

Sarah Dusek: Yeah.

Sheldon Harris: So a 25 multiple. Obviously, multiple competitors seeing the future of the solid foundation that Sarah had created. Much like we talk with Rich Balot, a lot of what he did, one step at a time, and then taking an opportunity to grow it even further, Sarah is now doing that as you remain the CEO and shareholder there. I just want to say, congratulations on your amazing success.

Sarah Dusek: Thank you.

Sheldon Harris: I really appreciate you sharing with the group here, some of your key lessons.

Sarah Dusek: It's been a wild ride, and without a doubt I wouldn't be where I am today without the likes of Sheldon and CEO Coaching getting behind me and saying, "We've got to be disciplined. This is what we've got to do, this is how we're going to do it. This is how we're going to break this down," which has been an extraordinary ride for me.

Sarah Dusek: The piece of the puzzle that culminated with all of this really was a sense of I didn't think big enough, and now I get to go on another journey that says, I thought about what I wanted. I got what I wanted and achieved an extraordinary thing, but also made me realize we got a whole nother journey to go.

Sheldon Harris: You can think bigger, yes.

Sarah Dusek: I got to think bigger, and we got a bigger journey to go on, which is truly amazing.

Sheldon Harris: Great. Well Sarah, thank you very much.

Sarah Dusek: Thank you.

Sheldon Harris: A big round of applause for Sarah.

Sarah Dusek: Thank you. Thanks Sheldon.

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